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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

March 1950

P R E S S   D I G E S T

A Sample of Newspaper Stories and Comment Regarding the  
Rural Electrification and Rural Telephone Programs

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TELEPHONES

FARM PHONE PROGRAM'S  
BIG SCOPE CITED

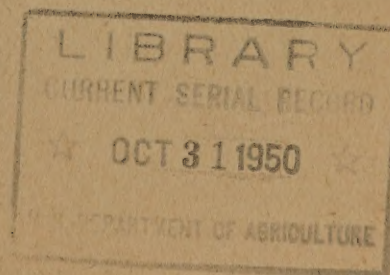
St. Paul Dispatch & Pioneer Press  
St. Paul, Minnesota, January 31, 1950

The act permitting the REA to enter the telephone field may involve Federal funds to the extent of \$1,200,000,000, Clyde Bailey, Executive Vice President of the U. S. Independent Telephone Association, said in a speech before the Minnesota Telephone Association. That estimate, he noted, is based on the three million U. S. farms presently without telephones. Bailey further declared that his company endorsed the telephone measure and would cooperate with REA in implementing it. Charles Cashel, Secretary of the Worthington Telephone Company, told the delegates that his firm had spent \$230,000 in the past four years in plant modernization and expansion and would probably spend another \$40,000 in 1950 to include 35 added miles of rural pole lines. The convention was also informed by Ray Smith, President of the Telephone Engineer Publishing Company, that 700 small phone firms have been absorbed by larger neighboring firms in the 6 years prior to 1949. He noted that quality service rather than lower rates would mean salvation for the independent companies.

NUMBER, PLEASE

Editorial in The Florida Grower  
Tampa, Florida, January 1950

Only 12 percent of Florida's farm homes have telephone service. "When rural needs for doctors, fire-fighting facilities and other emergency things arise", the telephone can mean the difference between minor loss or great damage and sometimes between life and death. It is hoped that the new telephone act will raise the level of Florida at least to the national average.





RURAL TELEPHONE LOAN  
PROGRAM OUTLINED

Montana Farmers Union News  
Helena, Montana, January 25, 1950

The Rural Electrification Administration has begun distribution of its rural telephone loan application form and a bulletin outlining general requirements for loans. Since the telephone legislation was enacted, REA has received loan inquiries from more than 600 existing telephone companies and around 100 representatives of proposed new telephone organizations.

TEXAS FARMERS PLAN FOR  
'PHONE COOPERATIVE'

The Enterprise  
Olney, Texas, January 19, 1950

Area farmers met Monday night in the Ft. Belknap Electric Cooperative, Inc., office to discuss plans for a telephone co-op in the 6 counties served by the electric co-op. Tom Wilkinson, REA manager, said that passage of a State enabling act will be the first hurdle in establishing co-ops in Texas. However, there seems little chance of that in the coming special session in view of State concern with other problems. The group proceeded with plans so that all details will be in order when the enabling act is passed. A temporary committee was appointed to make preliminary plans for a phone cooperative. A permanent committee will be selected in April. Local farmers were advised to write their State legislators urging that the telephone measure be considered at this session.

ELECTRIFICATION

MANAGER TELLS FARMERS TO  
"TALK BACK" ON SUBSIDY

Mansfield Advertiser  
Mansfield, Pennsylvania  
January 25, 1950

Manager Whitlock of the Tri-County Rural Electric Cooperative, Inc., advised members at the annual meeting at Mansfield to talk back to anyone who tells them that co-ops are being subsidized. "This co-op", he said, "is paying for itself and not costing the taxpayers a cent." The organization is now nearing 100 percent of area coverage. Mr. Whitlock said the gross income for the year ending December 31 was \$110,857, that 57 miles of new line and 367 new members were added. Currently the co-op is engaged in adding to and improving farm electric service. Members adopted the "capital credits" plan two years ago. However, because of a legal technicality, the issue had to be voted on again and they re-adopted the plan.



WAY CLEARED FOR HALF-MILLION DOLLAR  
RURAL ELECTRIFICATION DEVELOPMENT

Creston-News-Advertiser  
Creston, Iowa, January 21, 1950

Plans for the new half-million dollar lake development are progressing steadily. Administrator Wickard added his approval this week to the three-party lake agreement, already signed by the State Conservation Commission, the City of Creston and the Southwestern Federated Power Cooperative, Inc. The dam and new lake will be located north of the present Summit Lake. The new two-fingered design lake is to cover about 370 water acres in the center of an overall area of between 800 and 1000 acres. It is expected that construction will start this summer. By contract agreement, the Southwestern Federated Power Cooperative will withdraw water direct from the lake for use in its big steam plant now under construction northeast of Creston; the City of Creston will receive the right to supplement its water supply, if necessary, from the new lake, and the State of Iowa gains a new recreation area which has utility value as well.

REA COOPERATIVE APPROACHES  
100% AREA COVERAGE OF RANCH HOMES

The Dillon Daily Tribune  
Dillon, Montana, January 25, 1950

The 1567 members of the Vigilante Electric Co-op, Inc., represents 97.6 percent of the farm and rural homes in five southwestern Montana counties, reported Howard Babcock, Manager of the co-op, prior to their annual meeting Friday. Organized in 1937 as the Jefferson Valley Electric Cooperative with 125 patrons, it now has changed its name to Vigilante and moved its headquarters to Dillon, a more central location. Vigilante, Babcock said, has extended its power lines an additional 86 miles this past year to serve new consumers.

DEDICATION OF NEW REA  
HEADQUARTERS MARKS PROGRESS

Editorial in the Willmar Daily-Tribune  
Willmar, Minnesota, January 24, 1950

The opening of the new headquarters building of the Kandiyohi Cooperative Electric Power Association should be gratifying not only to those enjoying its electric light and power but to all potential patrons. The idea back of REA is that its service should be all-inclusive, that no farmers desiring "light" should be left in the "dark". The men in charge have followed through from the first schoolhouse meetings to acquaint farmers with the idea; the difficulties faced in getting the setup recognized by Federal authorities, and later the problems encountered in securing reasonable wholesale rates. These and other difficulties have been overcome. In completing this job, experience and knowledge have been gained by leaders which extend far beyond county limits and which will be of great value to the REA in its future development in Minnesota.



REA FARM USERS IN NEW  
MEXICO DOUBLED IN '49

A. P. Dispatch in the  
Albuquerque Tribune  
Albuquerque, New Mexico, January 25, 1950

The number of farm users of electricity in New Mexico nearly doubled during 1949, and more than half of the state's farms now have service, according to Oliver Kimbrough, President of the New Mexico Rural Electric Cooperative Association. The 16 rural electric co-ops added some 10,000 new farm families last year and built 2500 miles of line. Kimbrough says that REA loans already approved make the same rate of expansion probable during 1950. In 1935 just 3.3 percent of the total farms in the state had central station electric service. In June 1949, REA estimated that 52 percent were served. More than half of the farms connected since 1935 have received power through cooperatives. The state's 16 co-ops, Kimbrough reported, are operating 6700 miles of line and serving altogether 21,900 rural consumers. REA estimates, however, that around 14,000 New Mexican farms still have no electric service.

CO-OP ASKS \$100,000  
TO BUILD 75 MORE MILES

The Enterprise  
Olney, Texas, January 19, 1950

The Directors of the Ft. Belknap Electric Cooperative, Inc., voted to apply for a \$100,000 REA loan to build 75 more miles of power line to serve 110 additional rural residences. The manager expects that the loan will be approved and work may start this summer. Construction of this additional mileage will bring the Ft. Belknap total up to 1150 with an average of 1.9 subscribers per mile.

REA PLANNING MORE  
POWER MILEAGE

Winner Advocate  
Winner, South Dakota, January 26, 1950.

Plans are nearly completed for an additional 800 to 1000 miles of electric power lines and the Rosebud Electric Association, Inc., is urging rural residents without electric service to sign up at once. The more signers they have, the better is their chance of receiving approval of the necessary funds when the application is forwarded to Washington after February 10, says Manager Green.

REA MEMBERS SOUGHT

Display ad in the Gregory Times-Advocate  
Gregory, South Dakota, January 27, 1950.

The Rosebud Electric Association, Inc., in a display ad announces that it is ready to apply to REA for an additional loan and urges non-patrons to sign up soon. The ad carried an application form complete with diagram for marking house location on the farm.



LARGEST REA LOAN ERECTS STEAM-  
GENERATING PLANT IN MISSOURI

Kansas City dispatch in  
The Wall Street Journal  
February 2, 1950

REA recently approved its largest single loan - \$18,393,000 - to the Northwest Electric Power Cooperative of Savannah, Missouri. The Northwest is a federation of seven REA-financed distribution co-ops serving 30 counties in northwest Missouri, southwest Iowa and south-east Nebraska. The loan will be used to finance construction of a \$7,000,000 steam-generating plant and distributing facilities on the Missouri River "as another unit in the expanding Government public power system in Missouri." Completion of the project will require about two years.

GENERAL

UTILITIES TO FIGHT  
U.S. POWER OUTLAY

Story by John P. Callahan in  
The New York Times, New York City  
January 22, 1950

"A disgruntled private utility industry will wage a fight this week to dissuade congressional committees from approving a record budget for public power." Commenting on an exhaustive analysis of the 1950-51 Federal power budget, P. L. Smith, President of the National Association of Electric Companies, declared the executives would look in vain for economy signs in appropriation requests. Agencies dealing only with power have asked for \$493,735,000 (including REA's request for \$407,425,000 for salaries, expenses and loan authorizations) in 1950-51 as against \$417,448,000 a year ago. "Until the budget offers 'detailed data by making a public release of the statistical information that supports the budget figures'.....citizens will be handicapped in analyzing annual budgets and expenditures to show where unnecessary power spending can be eliminated."

TREE SAW HITS TROUBLE

Oregonian  
Portland, Oregon, January 29, 1950  
The Dalles (Special)

Mike Miller and Bill Woodcock, Jr., found the going tough in felling a tree 5 feet in diameter, to protect the REA line near Wamic. Buried deep within the trunk was found a shattered beer bottle, large spike harrow tooth and a horseshoe, which they had sawed nearly in two. Inquiry among old-timers revealed that the articles had been laid in the crotch of the tree many years after it was set out in the 1880's.



CO-OP SPEAKERS HIT ATTACK ON  
'WELFARE STATE'; MISUSE OF WORDS

The Capital Times  
Madison, Wisconsin, February 8, 1950

"I want to voice my protest against what is being done to plaster good American terms with opprobrium," William J. Evjue, editor of The Capital Times, told the 275 guests at a Wisconsin Electric Co-operative banquet Tuesday night. The occasion was the 14th annual meeting of the WEC. When the government made electricity available to rural people to promote better living, he said, we heard that it was wrong for the government to promote the general welfare. "When the RFC was organized," Evjue continued, "we heard nothing about the dangers of the 'welfare state,' or that it would be wrong for government to aid business....." Yet REA borrowers pay back Federal loans with greater regularity than some RFC creditors. Many newspaper editors have been trying to make "welfare state" a distasteful term. They tell the American people that that sort of thing is "socialism." Such people, Evjue declared, "...are more concerned with profit than human welfare." Congressman George M. Christopher (D-Mo.) reminded the audience that when rural free delivery was instituted in Missouri, it was looked on as an "enterprise that would bankrupt the government." Later, he said, when land bank and production credit legislation were proposed, they were labelled by some as socialistic and communistic. If that be true, he indicated, "...then you and I are Socialists and Communists."

PROPAGANDA PIECE TO MANY RFD'S

Cooperative Farmer  
Kansas City, Missouri, December 30, 1949

"About 900,000 copies of the latest anti-co-op propaganda piece, DON'T LET YOUR PATRONAGE DIVIDEND INVOLVE YOU WITH FEDERAL INCOME TAX MEN, have been or will be stuffed in mailboxes all along RFD's in ten states--Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Among the groups which have already dropped their copies in the mails are: COLORADO ASSOCIATED BUSINESSMEN, Denver; KANSAS INDEPENDENT BUSINESSMEN'S ASSOCIATION, Wichita; NORTH DAKOTA TAX EQUALITY COMMITTEE, Fargo; MISSOURI-KANSAS BUSINESSMEN'S ASSOCIATION, Kansas City, Missouri.

CO-OPS CAN AFFORD TO PAY

The Observer  
Moultrie, Georgia, January 19, 1950

National Tax Equality Association in a quarter-page display ad directs farmer attention to the Federal income tax they pay on money credited to them by the co-ops. It suggests that farmers ask their representatives in Washington to tax co-op "profits" at their source as co-ops can better afford to pay than the farmers.



ANTI-CO-OP GROUP  
BUSY IN WISCONSIN

Story by O. B. Anderson in the  
American Farm Bureau Federation  
Official News Letter, Chicago, Illinois  
January 16, 1950

As long as co-ops were weak and ineffective in their efforts to help farmers, they did not attract much opposition. But today the National Tax Equality Association subjects them to constant attack. Wisconsin cooperative members are presently being bombarded with NTEA letters charging that co-ops are withholding money due them. The NTEA is more cautious in dealing with the GLF, an eastern cooperative and one of the largest in the country. It is spreading word in the midwest that the GLF has "surrendered tax exemption" and is "voluntarily paying Federal income taxes on savings made by its patrons." The facts are: GLF last year adopted the policy of paying refunds to members only. Previously it had paid patronage refunds to both stockholder members and its other non-member patrons. Quite within the law, GLF paid no tax on money which belonged to the members. However, it did pay a Federal income tax of \$928,000 on business received from non-members who received no refunds.

GOVERNOR PLACES WATER NEEDS FOR  
POWER AND IRRIGATION AHEAD OF  
NAVIGATION

AP dispatch from Helena in the  
Lewistown Daily News  
Lewistown, Montana, January 26, 1950

Governor John W. Bonner declared that water should not be utilized for navigation purposes until it has first been determined that enough is left for irrigation and power. In a recent statement on the State's water situation, the Governor said that approval of the proposed 1951 national budget, and a joint survey by State and Federal agencies are essential if irrigation and power developments are to be realized in the State. Money thus spent is a permanent investment, he said, and adds to the nation's wealth. He observed that we are charged with "...saving sufficient water for our needs and for the future needs of future generations in this state." Montana, in cooperation with the Bureau of Reclamation, is now making a joint survey to determine which lands are susceptible of irrigation. The Governor said that priorities by other states on rivers common to Montana "may deprive the extension of our rural electrification program because of executed priorities which do not leave sufficient power in Montana."



